

One Third of the Road to Berlin Must Be Paved With New York's Dollars. Over With the Liberty Loan!

Money makes the ships go

By Charles M. Schwab

Despite the fact that we have made real progress in shipbuilding, it must be remembered by every patriotic American that the need for ships increases proportionately with the increase in the size of our fighting forces overseas. Transporting troops to Europe is only one-fourth of the task that our shipping facilities must bear. The other three-fourths is the carrying of supplies and munitions of war.

Ships cannot be built without money. In war time it takes a great deal of money.

Undoubtedly after the war is over the ships that we are building now will pay for themselves many times over.

But the immediate need is money and the whole-hearted support of the entire nation.

If the American people could visualize what has been done in our shipyards with the money that they invested in the first Liberty Loans, I am sure they would be as proud and as enthusiastic as I am. The ships that we have built and are building should persuade the most cautious investor to put his money into Liberty Bonds of the fourth issue.

Buy Liberty Bonds They are the Best Investment in the World



LIBERTY LOAN COMMITTEE
Second Federal Reserve District
120 BROADWAY, NEW YORK

This advertisement has been contributed to the Liberty Loan Committee by

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80 Broadway
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DIVIDEND NOTICES
CROCKER-WHEELER CO.
Amport, New Jersey.

At a meeting on October 11th, 1918, the directors declared the regular quarterly dividends of 1 1/2% on the Preferred and 2 1/2% on the Common stock for the quarter ending September 30, 1918, payable October 15, 1918. Books closed October 10th.

Corporate Returns

Ogilvie Flour Mills Company, Ltd.—Net profits for the year ended August 31 last amounted to \$1,365,414, compared with \$1,358,847 for the year before. After preferred dividends of \$140,000, balance for common dividends was \$1,225,414. Common dividends were \$0.15, an increase of \$0.05, or 50%. Surplus was \$1,140,414 against \$593,847.

St. Lawrence Flour Mills Co., Ltd.—Profits for the year ended August 31 were \$268,737, from which bond interest of \$15,489 was deducted, leaving a balance of \$253,248. Surplus was \$112,395. Net income \$253,248. Dividends \$112,395. New York, Chicago & St. Louis Railroad—August gross \$2,341,172 Inc. \$803,645 Net income \$602,772 Inc. 254,242 8 month gross \$18,401,556 Inc. 2,231,335 Net income \$1,908,261 Inc. 235,972 Newport News & Hampton Railway, Gas & Electric—August gross \$218,661 Inc. \$85,776 Net income \$38,314 Inc. 2,741 8 month gross \$1,365,853 Inc. 558,567 Net income \$26,322 Inc. 72,292

Finance - Economics

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In spite of money restrictions and the concentration of banking and public interest on the task of putting over the lagging Liberty Loan, speculative enthusiasm was not to be restrained yesterday, the market showing greater activity than it has in any session since February 9. Transactions reached 949,900 shares. Dealings in the railroad stocks contributed about 20 per cent of the total. While there were no such sensations in the railroad list as were provided in the industrial group by Mexican Petroleum and Marine preferred, the rails on the whole displayed greater strength than the industrials. The average price of twenty issues reached a new high record for the year. Moreover, some brokers reported that the buying of railroad stocks was excellent in character, much of it being for investment, whereas the great bulk of the industrial dealings was speculative. There was more outside interest in the market than has been witnessed for some time, this, too, centering largely on the dividend paying rails. The explanation is perhaps to be found in the unusually secure position of these stocks. In the period immediately following the cessation of hostilities industry may possibly have to contend with radical readjustments, but the railroad shareholder can face that period with equanimity, inasmuch as the period of government control, and therefore of guaranteed earnings, extends for twenty-one months after the conclusion of peace.

Not the least interesting phase of the market was that the so-called war issues, while not exhibiting such pronounced strength as the stocks which are considered as likely to reap great and immediate benefits from the restoration of peace, were generally strong and showed in the advance. Even Baldwin Locomotive, which of late has often been weak even in the face of a rising market, gained 1 1/2 points, while United States Steel common, which has been under severe pressure at times, owing to the opinion held in some quarters that it would suffer heavily by the loss of war business, rose 2 1/2 points. It is not improbable that the strength of the war stocks was partly the result of purchases by those who previously had sold short in anticipation of a fall, but that did not suffice to account for the recovery. There was much new buying. Evidently Wall Street is not so firmly convinced as it seemed to be a week ago that the ending of the war will bring an end to the prosperity of the steel producers.

Money and Credit

Although last week's bank statement disclosed an increase of approximately \$15,000,000 in surplus reserves of the Clearing House members, the banks showed no disposition to increase their offerings of money in the local market yesterday.

At the Stock Exchange the bankers' money committee placed some call loans and the ruling rates for the day were 6 to 6 1/2 per cent.

The beginning of the new week found no important change in the time money situation. No new money was offered. There was a fair demand for fixed date funds at 6 to 6 1/2 per cent.

Ruling rates for money yesterday, compared with a year ago, were as follows:

	Yesterday.	Year ago.
Call money:		
On mixed collateral 6	3	3
On industrial 1/4 1/2	6 1/2	—
Time money (mixed collateral):		
Sixty days	6	5 1/2
Ninety days	6	5 1/2
Four months	6	5 1/2
Five to six months	6	5 1/2

Discount Rates.—The following table gives the current rates of the twelve Federal Reserve banks on commercial paper for all periods up to ninety days:

	Yesterday.	Year ago.
Bank Clearings.—Bank clearings yesterday in New York and other cities were:		
New York	\$812,765,074	\$94,624,791
Boston	\$276,985	\$1,776,233

Exchanges.—Balances.

New York \$812,765,074 \$94,624,791
Boston \$276,985 \$1,776,233

Silver.—London, 49 1/2 d, unchanged.

New York, 101 1/2, unchanged; Mexican dollars, 75c, unchanged.

Sub-Treasury.—The banks lost \$330,181 to the Sub-Treasury yesterday.

Dollar in Foreign Exchange

Neutral exchanges declined sharply yesterday. Swiss francs dropped to a rate of 4 1/2 to the dollar for cable transfers against 4 1/2 on Friday. Dutch guilders reacted from 4 1/2 to 4 3/4 for checks. Danish crowns declined to 27 1/2 cents for sight drafts, while Spanish pesetas at 20 1/2 cents for checks were at the lowest level in more than a year. The tendency of this whole group was attributed to the improved outlook for peace, international bankers here as well as abroad believing that Germany is about ready to surrender.

Allied exchanges were firm in a fairly active market. Closing rates yesterday, compared with a week ago, follow:

	Yesterday.	Week ago.
Sterling, demand	\$4.75 1/2	\$4.75 1/2
Sterling, sixty days	4.72 1/2	4.72 1/2
Sterling, cables	4.76 1/2	4.76 1/2
Sterling, ninety days	4.71 1/2	4.71 1/2

(Quoted dollars to the pound.)

	Yesterday.	Week ago.
France, checks	5.48	5.47 1/2
France, cables	5.47	5.46
Italy, checks	6.35	6.36
Italy, cables	6.34	6.35
Swiss, checks	4.94	4.93
Swiss, cables	4.92	4.91

(Quoted cents to the unit.)

	Yesterday.	Week ago.
Guillemers, checks	43	48 1/2
Guillemers, cables	43 1/2	48 1/2
Rubles, cables	13.00	13.00
Spain, checks	20.55	21.60
Spain, cables	20.70	21.75
Sweden, checks	29.55	32.10
Sweden, cables	29.75	32.30
Denmark, checks	27.15	28.95
Denmark, cables	27.35	29.15
Norway, checks	27.80	29.80
Norway, cables	28.00	29.80
Argentina, checks	4.43 1/2	4.43 1/2
Argentina, cables	4.47 1/2	4.47 1/2
India, rupees, checks	35 1/2	35 1/2
India, rupees, cables	36	36
Reserve Bank rate	35.73	35.73

Relevant Comment

Details of Spanish Loan
The United States is paying Spain 6 1/2 per cent for the credit advance made by that country, according to London advices. The details of the transaction are given as follows by "The London Times":

"A syndicate of Spanish banks has arranged with Mr. Norman Davis, the United States financial delegate, to grant a credit forthwith to the United States of \$3,000,000 sterling. This amount may be raised to a maximum of \$10,000,000, to be made payable at the rate of \$2,000,000 a month. Payment will be made by means of bills drawn on the Spanish banks by banks of the Federal Reserve system. The credit will bear interest at 6 1/2 per cent, and repayment will be made in gold at par. This is the second credit which Spanish banks have arranged for the Allies, but the first in size and importance. The Spanish banks are thus seizing the opportunity of using their large gold reserve as a basis of earning interest."

New High for Union Pacific
Union Pacific common stock at 133 1/2 yesterday stood at the highest price of the year, an advance of 3 points from Friday's closing, and 2 1/2 points from the year's low record of 109 1/2.

Marine Announcement Near
International Mercantile Marine preferred took another upward step yesterday and advanced to 121, a new high for the present movement. This price was only 4 1/2 points below the high record of 125 1/2 reached in the 1916 bull market, when talk was heard of fantastic war profits. The recent rise, however, has been predicated on the expected benefits that will accrue from the pending negotiations for the sale of the company's British assets. The finance committee is scheduled to hold its weekly meeting this afternoon and the full board later in the week. It was reported yesterday that the much heralded "official announcement" may be issued then.

Oil Stocks Soar Again
As the shares of the Mexican Petroleum Company continue their advance the predictions concerning the possible limit to the present upward movement become the more extravagant. One hears, with no plausible explanation, that the stock will keep going up until it touches 200, while even higher figures are heard. The facts are that yesterday on a turnover of 66,700 shares the stock closed at 139 1/2, a net gain of 9 1/2 points, while at the top price of 139 1/2, a new high record for all time was established. The announcement that the Texas company is considering a new stock offering with attractive privileges was construed favorably from a market standpoint, and the stock kept pace with the advances in Mexican Petroleum by closing at 139 1/2 for a net gain of 7 points.

Japan's Foreign Trade
Akira Den, Financial Commissioner of the Japanese government in New York, received yesterday from Tokio the Japanese foreign figures for the month of August and the first eight months of the year. They show total exports for August of approximately \$83,000,000 compared with \$68,000,000 in the corresponding period of 1917. Total imports of the island imports were valued at approximately \$60,000,000, against \$36,000,000 a year ago. The excess of exports over imports during August was \$23,000,000, compared with \$32,000,000 in the corresponding month of last year. In the eight months ending August 31 last Japan exported a total of approximately \$600,000,000 worth of goods, an increase of about \$107,000,000 over the corresponding period of last year. Total imports for the eight months were \$540,000,000, against \$290,000,000 a year ago.

Corn Prices Rise On Announcement Of Gov't Buying

November Options Advance 10 5/8c on Chicago Board of Trade

CHICAGO, Oct. 14.—Announcement from the gallery of the Board of Trade today that the United States government would buy large amounts of corn for November and December delivery made corn prices jump skyward. The November option touched \$1.20 1/2, a rise of 6 cents above Friday's close, and a far greater advance from the sharp initial setback to-day due to the German reply to President Wilson's inquiries.

Still greater upturns were witnessed near the end of the day, November touching \$1.21 1/2, a total rise of 10 5/8c, a bushel, as compared with \$1.11 at the opening this morning. The market closed strong at nearly the topmost level of the session, with November \$1.21 to \$1.21 1/2 and December \$1.18 1/2 to \$1.18 3/4.

Local Market Also Affected by News

The feature of the day in the local market was the appearance of the Food Administration as a buyer for cash corn for export. This was not apparent until a few minutes after the opening, however, and early prices showed a break of 3 to 4 cents a bushel from the final of Friday under selling inspired by the favorable war news.

When word was received from Chicago that it had publicly announced that the Food Administration would make more liberal purchases of cash corn, there was a rush on the part of shorts to cover and the market experienced one of the most spectacular advances seen for many months. Under the impetus of the heavy buying movement, the market advanced 10 to 11 cents a bushel within a very few minutes, prices leaping upward 1 to 2 cents at a time, and offers entirely inadequate to meet the demands. When the first rush of buying was over there was a break of about 6 cents, but this was overcome and at the close of the day sales were near the top with net gains of 5 1/2 to 7 1/2 c.

It was thought in some quarters that too much significance was given to the government demand, especially as there has been more or less buying going on for the past week or two, and while government buyers admitted that they were in the open market, they were not disposed to raise their bids materially and were inclined to wait offers. At any rate, the demand acted as a stabilizer to prices and the action of the market, which later in the day ignored the political news was thought to indicate a sold-out condition and a much stronger technical situation.

Yesterday's Prices:
Corn, No. 3 yellow \$1.53 \$1.52 \$2.01
Chicago: 1.23 1/2 1.17 1.23 1/2
December 1.18 1/2 1.13 1.23 1/2

General Motors Surplus \$12,587,259

The General Motors Corporation for the six months ended June 30 last earned net profits of \$25,078,120, according to a statement issued yesterday in conjunction with the announcement that the Chevrolet directors had formally approved the merger of that company with General Motors. The surplus after Federal taxes and extraordinary expenditures was \$12,587,259. The merger plan calls upon the holders of Chevrolet to exchange their stock for General Motors on the basis of one and one-seventh shares of General Motors and 42 cents in cash for each share of Chevrolet now held.

Dividends

Regular Declarations

Rate	Per Share	Payable	Record
Crocker-Wheeler 1 1/4	pr.	Oct. 15	Oct. 5
Here Powder 1 1/4	pr.	Oct. 15	Oct. 5
Idaho Power 1 1/4	pr.	Oct. 15	Oct. 5
Sach Motors 1 1/2	pr.	Nov. 1	Oct. 20
Ottawa R. & L. 1 1/4	pr.	Oct. 15	Oct. 5
P. S. Investments 1.50	pr.	Nov. 1	Oct. 17
Canada Pacific 2 1/2	pr.	Nov. 1	Oct. 19
Cosden & Co. 2 1/2	pr.	Nov. 1	Oct. 19
Fairbanks Co. 2 1/2	pr.	Nov. 1	Oct. 19
Pyrene Mfg. Co. 2 1/2	pr.	Nov. 1	Oct. 19
P. S. of N. H. 1 1/4	pr.	Nov. 1	Oct. 15

Significant Relations

Money and Prices:

	Now	Year ago
Stock of money gold in the country	\$3,079,300,229	\$3,600,991,378
Loans of all national banks	\$9,260,462,000	\$8,818,312,000
Their surplus reserves	152,819,000	841,931,000
Bills discounted and bought by Federal Reserve Banks	\$2,093,089,000	\$478,939,000
Federal Reserve notes in circulation	2,478,378,000	779,885,000
Total gold reserve	2,031,236,000	1,447,445,000

	Yesterday	Today before	Week ago
Average price of fifty stocks	80.66	79.70	72.84
Average price of twenty-five bonds	84.89	84.54	84.45

	1st week	2nd week	3rd week	4th week	Year ago
Food cost of living (Annalist index number)	284.213	281.97	280.507	280.507	251,010
General commodity price level (Dun's index number)	252.882	252.882	252.882	252.882	251,010

Production:

	Aug. 1918	Aug. 1917	Aug. 1916
Unfilled U. S. Steel orders, tons	8,297,905	8,759,042	9,883,447
Pig iron (daily average), tons	113,942	109,341	104,465

	1918 (est.)	1917	1916
Wheat crop, bushels	918,920,000	650,828,000	650,828,000
Oat crop, bushels	1,535,297,000	1,587,286,000	1,587,286,000
Corn crop, bushels	2,717,750,000	3,159,490,000	3,159,490,000
Cotton, bales	11,818,000	11,300,254	11,300,254

Distribution:

	1st week	2nd week	3rd week	4th week	Year ago
Gross railroad earnings	74.4	74.4	74.4	74.4	74.4

Bank clearings:

	Aug. 31	July 31	Aug. 31
Active cotton spindles	33,646,811	33,674,896	33,674,896
Commercial failures (Dun's)	674	674	674
Liabilities	\$17,407,170	\$7,984,760	\$11,903,051
Bidding permits (Bradstreet's)	4,386,181	4,386,181	4,386,181
(139 cities)	\$38,326,286	\$38,326,286	\$38,326,286

*Includes 14 switching and terminal companies.

Bonds

U. S. Government Bonds

(New York Stock Exchange Quotations)
(Closing Quotations)

	Saturday	Monday
Liberty 3 1/2	99 9/16	100 00
do 4 1/2	99 3/4	100 00
do 5 1/2	99 1/2	100 00
do 6 1/2	99 1/4	100 00
do 7 1/2	99 1/2	100 00
do 8 1/2	99 1/4	100 00
do 9 1/2	99 1/2	100 00
do 10 1/2	99 1/4	100 00
do 11 1/2	99 1/2	100 00
do 12 1/2	99 1/4	100 00
do 13 1/2	99 1/2	100 00
do 14 1/2	99 1/4	100 00
do 15 1/2	99 1/2	100 00
do 16 1/2	99 1/4	100 00
do 17 1/2	99 1/2	100 00
do 18 1/2	99 1/4	100 00
do 19 1/2	99 1/2	100 00
do 20 1/2	99 1/4	100 00
do 21 1/2	99 1/2	100 00
do 22 1/2	99 1/4	100 00
do 23 1/2	99 1/2	100 00
do 24 1/2	99 1/4	100 00
do 25 1/2	99 1/2	100 00
do 26 1/2	99 1/4	100 00
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do 34 1/2	99 1/4	100 00
do 35 1/2	99 1/2	100 00
do 36 1/2	99 1/4	100 00
do 37 1/2	99 1/2	100 00
do 38 1/2	99 1/4	100 00
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